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ABSTRACT

This booklet is an overview report on refugee integration and adaptation in the United States. The introduction discusses briefly the Refugee Act of 1980, and is followed by three sections of text. The first part summarizes information on the extent of refugee economic and social adjustment and analyzes factors that have facilitated and impeded refugee adjustment. This section includes information on patterns and types of employment, as well as factors which influence employment, such as household size and composition, public assistance policies, sponsorship, training programs, employment services, and economic conditions. English language proficiency and training are considered, along with the development of ethnic communities. The second section examines residency patterns and the impact of refugees on the communities they settle in. Issues of housing, State and local costs, Federal revenues expended, tax payments by refugees, and the impact on the labor market are discussed. The final section deals with the policy implications of the refugee situation. In conclusion, it is found that on the whole refugees are moving towards economic self-sufficiency and increasing their English proficiency, and that refugee organizations are growing to meet the needs of their clients. (CG)

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ADAPTATION AND INTEGRATION OF RECENT REFUGEES TO THE UNITED STATES

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RPG REFUGEE POLICY GROUP

The Refugee Policy Group, established in 1982, serves as an independent center of policy analysis and research on refugee issues.

The RPG produces occasional papers, provides auspices for expert policy analysts and researchers to conduct their work in Washington, D.C., and holds meetings and symposia which bring together program implementors, policy analysts and researchers to discuss refugee program issues of priority concern to policy makers.

ADAPTATION AND INTEGRATION OF RECENT REFUGEES TO THE UNITED STATES

by
Susan S. Forbes

August 1985

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The actual preparation of the report took place under a grant from the Exxon Corporation, whose Program Officer, Jerrold Weitzman, participated in the Wingspread discussion.

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INTRODUCTION

Since the end of World War II, the United States has admitted almost two million refugees for permanent resettlement. Principally from Communist dominated countries, they have come from every continent: Europe (Germany, Poland, Hungary, Soviet Union, Rumania, Czechoslovakia, etc.); Asia (Vietnam, Kampuchea—formerly Cambodia—Laos, China, Indonesia, Korea, Afghanistan, Iran, Iraq, Lebanon, etc.); Africa (Ethiopia, Uganda); and Latin America and the Caribbean (Cuba, Chile, Nicaragua, El Salvador).

As could be anticipated by the variety of national origins, the refugee experience has been anything but homogeneous. Refugees from some nationality groups have been admitted as part of a large movement of people from the same region (for example, more than 700,000 Southeast Asians have entered the United States as refugees); others have come as individuals accompanied by few of their compatriots. Some refugees have joined members of their ethnic group who had already immigrated; others have come as ethnic pioneers. Some refugee movements have occurred rapidly, with most members of a nationality arriving within a short period (for example, Hungarians); others have continued, at least intermittently, for many years (for example, Cubans). Some refugees have arrived with financial resources; many others have not. Some refugees have had high levels of education and training; many others have arrived with few transferable skills and knowledge. Some refugees have spoken English upon arrival; others have not. Some refugees have held senior positions in the government or military of their countries of origin; others have been far from the centers of power and influence. Some refugees have fled because of their political affiliations and involvements; others left because of their racial or ethnic identification, and still others because of their religious beliefs. Some refugees have come with massive humanitarian attention focussed on their flight; others have entered with little or no fanfare.

All these factors influence the reception and ultimate integration of refugees into U.S. society. But there are still other factors which have less to do with the characteristics of the refugees themselves and more to do with the status of this country at the time of their entry. Among these factors are the state of the economy; prevailing attitudes toward foreigners; other legal and illegal immigration, as well as internal migration patterns; availability of services and support structures; public-private and federal, state and local relationships; and public policy regarding refugee admissions and resettlement.

Until 1980, the United States responded to these disparate movements of people through separate legislative and administrative initiatives, such as the Displaced Persons Act of 1948, the Refugee Relief Act of 1953, the Refugee-Escapee Act of 1957, the Hungarian Refugee Program of 1957, the Refugee Fair Share Act of 1960, the Cuban Refugee Program, and the Indochinese Refugee Assistance Program. By the late 1970s, it became clear to policy makers that refugee resettlement in the United States is a permanent reality that is ill served by *ad hoc* legislative responses. Instead, permanent, comprehensive legislation was needed which would establish policies regarding not only the admission of refugees (how many? from where? by what criteria?), but also the assistance provided to them once resettled in the United States.

In drafting the assistance sections of the Refugee Act of 1980 and its

subsequent amendments, policy makers faced a difficult challenge: designing legislation that would serve the needs of the current refugee population while providing a framework for admitting and assisting the as-yet unknown refugee groups to follow. The diverse experiences of the past argued for retaining a maximum degree of flexibility, while the reality of the existing refugee program called for resolving certain basic issues: What were the boundaries of federal responsibility for the costs of refugee resettlement? What measures would be adopted to assure that refugees did not pose a threat to the public health and that their health condition did not become a major obstacle to their adjustment in the United States? How would the special needs of refugees be met without creating inequities vis a vis other disadvantaged populations? What placement policies would be adopted to balance the desire of refugees to live in large clusters with family members and others of their ethnicity with the concerns of states and localities about the negative impacts of large concentrations of refugees? What would be the ongoing relationships of the private voluntary agencies responsible for the initial reception and placement of refugees with the state governments responsible for administering public assistance and social service programs for the new arrivals? And, most important, what policies could assure meeting the transitional needs of refugees while encouraging their adaptation and integration into U.S. society?

In drafting legislation, Congress took into account a number of factors:

- the interests and needs of the federal, state and local governments;
- the interests and needs of the resettled refugees;
- the interests and needs of refugee-serving agencies in both the public and private sectors;
- the world refugee situation; and
- U.S. foreign policy commitments and humanitarian responsibilities.

The following provisions emerged from this process: First, the Refugee Act explicitly states that the objective of the assistance program is "effective resettlement" of refugees as rapidly as possible. More specifically, the legislation defined effective resettlement in terms of economic self-sufficiency.

Second, the Refugee Act described the basic roles and relationships of the organizations inside and out of government that were to have primary responsibility for resettlement. It created an Office of Refugee Resettlement in the Department of Health and Human Services, which was charged with responsibility for funding and administering assistance programs for refugees. It also recognized the role of private, non-profit agencies in the reception and placement of refugees in U.S. communities. And the legislation prescribed a role for states, specifying that as a condition for receiving federal funds, they must: submit plans describing how they intend to implement their programs in accordance with the objectives of the Act; and designate individuals responsible for coordinating program activities.

Third, the Refugee Act specified that resources were to be made available for interim cash and medical assistance, employment services, language training programs and other services geared toward attaining the objective of self-sufficiency. Refugees could be assisted on a preferential basis (for example, some eligibility requirements for cash and medical assistance could be waived and special programs could be implemented) if the assistance would encourage self-sufficiency and/or avoid a significant burden on states and localities.

Fourth, the Refugee Act provided for 100 percent federal reimbursement of state costs during the first 36 months a refugee is in the United States. This provision on the one hand established in permanent legislation that the federal

government would bear the cost of resettlement, while, on the other, it limited the period during which reimbursement could be made.

Fifth, the Refugee Act instructed the federal government to monitor assistance programs, collect data from states and voluntary agencies, and report to Congress annually on the employment status of refugees, their location within the country, the results of monitoring and data collection, and other summary information.

The existence of a refugee program with its own authorizing legislation and appropriations of funds draws attention to the costs, impacts and effectiveness of the system established to resettle its clients. This raises questions such as: How well have recently resettled refugees fared? Have refugees followed the same patterns of adaptation as other immigrants? To what extent has programmatic assistance aided or impeded the resettlement process? To what extent does this process unfold independent of programmatic assistance? Are the timeframes and expectations referenced in the Refugee Act appropriate?

Prior to 1980, there was little systematic attempt by the government or anyone else to document the experiences of refugees within the context of federal, state or private assistance programs. Federal policy evolved through a "trial and error" process with relatively little information about the needs of specific groups, the effectiveness of programs or the short- or long-term impact of refugees on receiving communities.

In response to this information gap, made more evident with the passage of permanent legislation, the federal government embarked on a major research effort. During the past four years, the federal government has funded over $3.5 million in research and evaluation studies of refugee resettlement. Most of these studies were sponsored by the Office of Refugee Resettlement, but other important projects were initiated by the Bureau for Refugee Programs in the State Department and the Center for Population Research in the National Institute of Child Health and Human Development.

The Refugee Act was passed and has been implemented during a period dominated by the resettlement of Southeast Asian refugees. The experiences in resettling these refugees influenced not only the legislation itself, but—even more—the interpretation and implementation of the law. This is so much the case that assessments of the adaptation of refugees under the Refugee Act must be predominantly an assessment of the Southeast Asian experience. Indeed, most of the recent research and evaluation studies have focussed almost exclusively on the experiences of Indochinese refugees and programs designed to serve their needs. There are few studies of other current arrivals. Nor, for that matter, are there many studies of previous refugee groups that can be used for comparative purposes.

Nevertheless, through recent research on refugee resettlement, we now know more than ever before about the experiences of refugees and the effectiveness of U.S. resettlement programs. Although these studies do not provide definitive answers to the questions posed above, they do enable us to begin the process of documenting and analyzing what it is we know about refugees, what we should expect of them and what we should expect of U.S. policies and programs.

This report, based on a synthesis of available research on refugee integration and adaptation, is divided into three major sections. The first part summarizes information on the extent of refugee economic and social adjustment and analyzes factors that have facilitated and impeded refugee adjustment; the second describes the impact refugees have had on U.S. communities; and the third discusses the policy implications of these research findings.

HOW ARE REFUGEES DOING?

There are many measures of adaptation: the ability to support oneself; the capacity to speak the language of one's new home; understanding cultural values; development of culturally appropriate organizations; and participation in political processes. Of these measures, three have been emphasized in research reports. Because economic self-sufficiency has been the explicit objective of the resettlement program, measures of economic adaptation have received primary research attention, particularly in government-funded projects. Language acquisition has also been studied, since it is seen as a major contributor to economic success, as well as important in and of itself. And, finally, research has focussed on the development of ethnic support structures—termed "mutual assistance associations"—as necessary intermediaries between the refugees and U.S. society.

Economic Adaptation

Few outcomes, if any, are as important in measuring the effectiveness of refugee resettlement as the economic adjustment of the new arrivals. Economic self-sufficiency—measured by labor force participation and employment rates, income level and use of public assistance programs—affects not only the lives of the refugees but also 1) the costs of the resettlement program, 2) the impact of refugees on the U.S. labor market, 3) the impact of refugees on mainstream programs, and, ultimately 4) the receptivity of the United States to the admission of refugees.

Generally, the prospects for refugee economic self-sufficiency are promising in the long-term, but the immediate situation shows low labor force participation, high unemployment, large numbers living below the poverty line, and substantial reliance

TABLE I Labor Force Participation and Employment Rates October 1984

	Labor Force Participation	Employment
Refugees	55.0%	85.0%
U.S. Population	64.0%	93.0%

on public assistance programs. Key to understanding economic adaptation is the employment experience of refugees, since other economic measures (earnings, income, public assistance) vary with the extent to which refugees are in unsubsidized jobs. Therefore, special attention is paid in this analysis of economic adaptation to employment data.

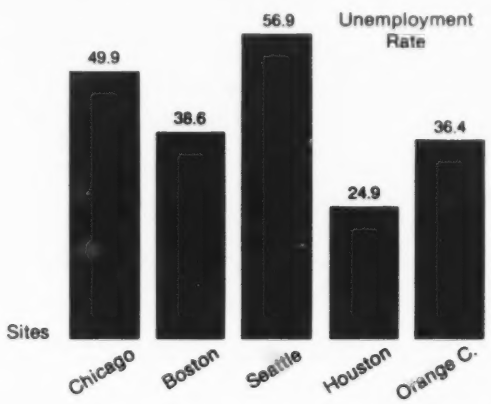
Patterns of Employment

Employment takes place in two stages, both of which have been examined in research reports on refugees. First, newscomers to this country must actively seek work. Second, they must find and accept employment. Labor force participation rates measure the percent of persons over the age of 16 who are either looking for work or actively employed. Employment rates measure the percent of those in the labor force who are actually employed.

Within the general U.S. population, about 65 percent of the working age population is in the labor force at any given time. The most recent national survey on refugee participation in the labor force (October 1984) shows that 55 percent of all Southeast Asian refugees over the age of 16 were employed or actively seeking work (ORR: 1985). Included in this statistic are refugees who entered the United States between 1975 and 1984. Overall, 58.7 percent of male refugees are in the labor force, while 41.3 percent of female refugees have or are seeking work. The comparable figures for the U.S. population are about 76 percent and 53 percent, respectively. About 85.4 percent of those in the labor force were employed, as compared with 93 percent in the overall U.S. population. (See Table I.)

A second survey, the "Southeast Asian Refugee Self-Sufficiency Study" by the Institute for Social Research (ISR: 1985), examined employment patterns among more recently arrived refugees who lived in five sites: Houston, Texas; Orange County, California; Boston, Massachusetts; Seattle, Washington and Chicago,

TABLE II Employment by Site (all adults)



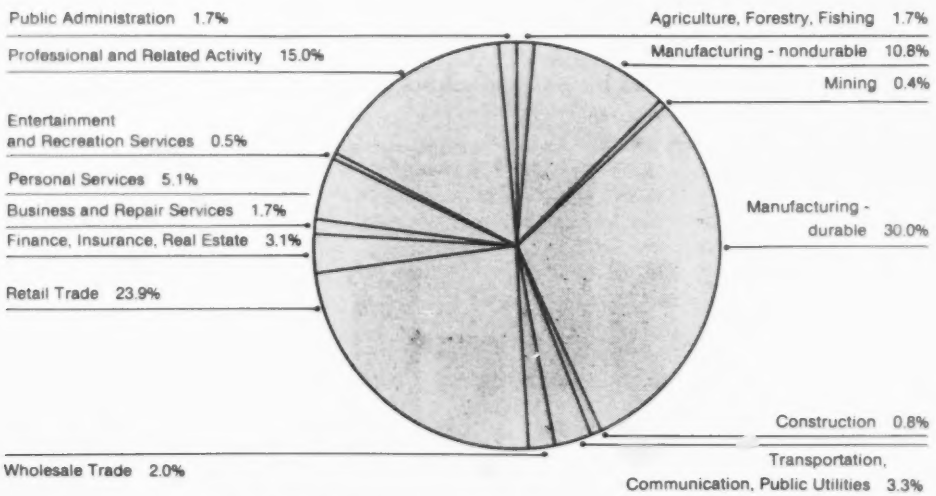
Source: Institute for Social Research, "Southeast Asian Refugee Self-Sufficiency Study. Final Report," 1985.

Illinois. Data collection took place in 1982 among refugees who had arrived in the United States since 1978. Unemployment rates were found to be relatively high in all sites, ranging from 24.9 percent in Houston to 56.9 percent in Seattle. (See Table II.) These rates are higher than overall U.S. unemployment (10.1 percent), black (19.8 percent), Hispanic (14.8 percent), or, even, teenage (23.6 percent) rates. The unemployment rate for refugee men in the labor force was found to be higher (44 percent) than that of women (39 percent). The authors pointed out, though, that many women defined themselves as housewives when outside work was not available to them. As a result, they were not included in the labor force even if they would take jobs if offered.

Type of Employment

The research gives valuable information on the type of employment that refugees have found. This information is useful in assessing whether initial employment is likely to lead to long-term self-sufficiency. In "Labor Force Participation and Employment of Southeast Asian Refugees in the United States," Robert Bach found that over 40 percent of the refugees worked in manufacturing, with almost 25 percent working in retail trade (Bach: 1984). Professionals accounted for 15 percent of the employed. (See Table III.) More specifically, four occupational categories employed the vast majority of the refugees: technical, sales and administrative support (24.4 percent), service (21.9 percent), precision production, craft and repair

TABLE III Sector of Employment: All Employed Individuals 16 Years of Age or Over, 1983*



Source: Robert L. Bach, "Labor Force Participation and Employment of Southeast Asian Refugees in the United States," 1984.

*All percentages are weighted by household size.

(21.4 percent) and operators and fabricators (19.3 percent). Within these occupations, refugees tend to hold low-skilled positions. More than one-fourth of those in the service sector are janitors and cleaners, with another 40+ percent working in food preparation and distribution (cooks, kitchen workers, waiters and waitresses and their assistants). Another large percentage of refugees work in the electronics industry, generally in unskilled support positions.

ISR reports similar findings regarding jobs held by refugees who have arrived since 1978. Almost 65 percent of this sample are employed as operatives or in service jobs. Examining the socio-economic status of the jobs held by refugees, ISR concludes that 70 percent hold low-status jobs while only 10 percent have high status ones. Most of the refugees tend to be employed in peripheral jobs in what is often referred to as the secondary labor market.

ISR examined the benefits available to employed members. The majority (75 percent) of those employed full-time had benefits, but only a small proportion of the part-time workers (21 percent) did. Among all workers, 57 percent had health insurance, the most prevalent benefit followed by paid vacations (52 percent). About one-fourth received dental insurance and retirement pensions. Refugees working in the secondary labor market were less likely to be receiving any of these benefits. For example, 45 percent of those in jobs in the secondary labor market received health benefits, compared with 71 percent in core sector jobs.

There is some impressionistic data that refugees may be moving into the underground, cash economy. In "The 1975 Refugees: Their First Five Years in America," Baker and North traced the employment rates and Social Security earnings of refugees who arrived in 1975 (Baker and North: 1984). They found that self-declared employment rates among men increased over time, while reported Social Security income decreased. Not able to find any other explanation for this phenomenon, they hypothesize that some refugees who had previously been employed in jobs that paid into the Social Security system were now in jobs that paid "under the counter."

For many refugees, their initial jobs reflect a decline in socio-economic status. Among refugees who were professionals in Southeast Asia, only 10 percent found professional employment in the United States, according to ISR's study. Most of those who did find jobs worked as operatives or in service jobs, just as did their less educated compatriots.

The pattern of occupational mobility revealed by recent research on refugees is similar to that found in research on immigrants. Many researchers document that immigrants coming from higher socio-economic status in their countries of origin initially take jobs that are lower in status; but with time, their status increases until it reaches or surpasses former levels.

Since this process unfolds over time, it is too soon to tell if Southeast Asian refugees will begin the upward climb or if they will be able to regain their former socio-economic level. The situation of refugees, at least during their initial time in the United States, is not the same as for other immigrants because of their special eligibility for a range of public assistance programs. Also, they generally come with less capital and they have not had the opportunity to plan their move to this country. In "An Analysis of the Economic Progress and Impact of Immigrants" Barry Chiswick, using data from the 1970 Census, found that immigrants who migrate for political reasons—in this case, refugees from Cuba—take longer to close the gap in earnings than do those who migrate for economic reasons (Chiswick: 1980).

TABLE IV Current Employment Status of Southeast Asian Refugees

Year of	Labor Force Participation				Unemployment			
	1981	1982	1983	1984	1981	1982	1983	1984
1984	—	—	—	30.0%	—	—	—	41.0%
1983	—	—	20.7%	41.6%	—	—	55.0%	35.6%
1982	—	25.2%	40.9%	45.4%	—	62.5%	30.4%	12.5%
1981	22.8%	41.5%	46.5%	51.4%	45.2%	40.7%	16.6%	16.4%
1980	52.8%	51.3%	56.3%	54.5%	27.1%	32.1%	21.1%	11.8%
1979	49.2%	60.2%	60.5%	60.1%	8.1%	19.3%	17.6%	9.6%
1978	46.8%	67.6%	68.2%	66.2%	5.0%	19.0%	19.7%	2.6%
1976-7	70.7%	74.3%	79.5%	76.1%	3.5%	9.4%	17.2%	4.6%
1975	76.0%	72.1%	69.7%	67.3%	6.4%	12.7%	12.1%	6.3%
U.S. Rates*	64.0%	64.1%	64.1%	64.6%	7.5%	9.9%	8.4%	7.0%

*October unadjusted figures from the Bureau of Labor Statistics, Department of Labor.

**Proportion of original sample of 2,700 successfully located and interviewed, by year of entry. The total number interviewed, 1,244, . . .

Factors Influencing Refugee Employment

Patterns of labor force participation and employment can be explained by a variety of factors, including the demographics of the refugee population (that is, gender and age); their length of time in the United States; background characteristics; household size and composition; public assistance policies and practices; service utilization; and the general economy.

Demographic Factors: Labor force participation varies by age, with refugee patterns comparable to U.S. ones. In the U.S. population generally, labor force participation is low in the 16 to 24 age bracket; these young people are likely to be involved in educational and training programs. The rate is much higher for those between 25 and 55, after which it declines. Refugee labor force rates show this same general pattern.

Length of Time in the United States: The percent of refugees in the labor force and employed differs markedly by length of time in the United States. As Table IV indicates, 67.3 percent of those who had arrived in 1975 were in the labor force in 1984, a higher rate than the U.S. average. On the other hand, the more recent arrivals showed lower participation rates; only 30.0 percent of the 1984 arrivals and 41.6 percent of the 1983 arrivals were in the labor force as of October 1984. As with labor force participation, employment increases with time in the country. According to the 1984 survey, the unemployment rate for refugees who arrived in 1975 was 6.3

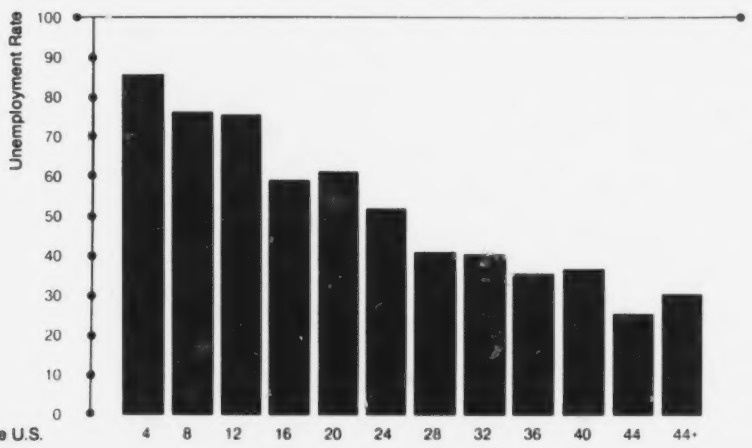
percent, whereas it was 35.6 percent for those who arrived in 1983 and 41 percent for the 1984 arrivals.

As shown in Table V, ISR found that 86 percent of those in the United States for four months or less were unemployed, as compared with 75 percent of those here between 9 and 12 months, 52 percent of those here between 21 and 24 months, and 35 percent for those here between 33 and 36 months. For those here more than 36 months, the unemployment rate was between 25 and 36 percent. It should be noted that the latter survey took place during a period of very high unemployment generally, and that the refugee rates, as discussed below, were obviously affected by the overall recession.

Another change over time is the proportion of households with one or more employed persons. (See Table VI.) Over 80 percent of the households with members in the United States for less than four months have no employed member; about 10 percent have one employed member and less than 5 percent have two employed members. But by the time refugees have been in the United States for more than three years, the proportions have shifted significantly. At that point, only about 20 percent of the households have no employed member; 30 percent have one employed member; and about 50 percent have two or more employed.

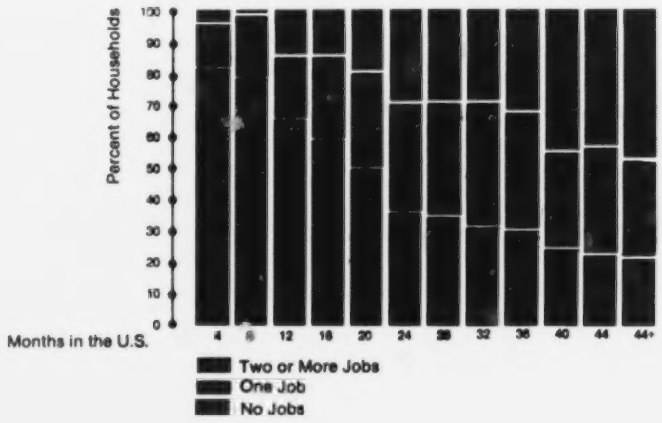
Background Characteristics: A refugee's experiences prior to entering the United States have a profound effect on later adjustment. *Education* in the refugees' countries of origin is among the most important predictors of labor force participation, after controlling for all other factors (e.g., language proficiency, age, gender, length of time in the United States). Bach found that "each additional year of education *before arrival* . . . gives the more educated a 3 percentage point advantage over the lesser trained (his emphasis)." Bach argues that those who have

TABLE V Unemployment Rate By Time in the U.S.



Source: Institute for Social Research, "Southeast Asian Refugee Self-Sufficiency Study. Final Report," 1985.

TABLE VI Number Employed Per Household by Months in the U.S.



Source: Institute for Social Research, "Southeast Asian Refugee Self-Sufficiency Study. Final Report," 1985.

had the social and economic standing to have obtained higher education are in a better position to enter the U.S. labor market. Further, higher education provides knowledge and skills that are transferable from one society to another, aiding job searches and success in getting a job.

The influence of *language* is less clearly defined. Most studies, looking at the simple relationship between English language proficiency and labor force participation, have emphasized the importance of language skills. The 1983 survey of Southeast Asian refugees found that labor force participation among those who spoke English well or fluently was over 60 precent, whereas it was only 25 percent for those who did not speak English at all. This finding does not bode well for early employment for refugees, since less than 10 percent of the Southeast Asians who arrive here have a fluent command of English.

Whether it is language itself or other factors that affect employment is hard to gauge, however. The likelihood that a refugee knows English prior to arrival is affected by other factors that are themselves influential in predicting employment: previous education, previous exposure to English speakers, and year of entry (those who came in 1975 were more likely to speak English on arrival than were late migrants). Similarly, the likelihood that a refugee will increase his or her understanding of English is related to other considerations, such as enrollment in a language training program. Bach questions the importance of English proficiency when it is removed from these other factors. For example, controlling for year of entry—that is, looking at refugees who arrived within the same year—English proficiency on arrival loses its predictive value. It appears that refugees arriving in certain years (most notably 1975) are more likely to have entered the labor force *whether or not they know English* than are those who arrived in other years.*

*As discussed above, other measures of economic adaptation, particularly income, appear to be more significantly related to English proficiency than is employment *per se*.

Another complicated variable is *ethnicity*. At first examination, ethnicity appears to be an important influence on labor force participation. The ethnic Chinese, Hmong and Khmer refugees tend to have relatively lower labor force participation rates, while the Vietnamese and Lao have similar, relatively higher rates. These groups differ, however, in their background characteristics. After controlling for these other characteristics, the picture changes somewhat. Generally, the higher educational achievement of the Vietnamese explains their greater participation in the labor force. After controlling for education, Lao and Hmong are more likely to be in the labor force than the Vietnamese, and the Khmer and ethnic Chinese show no variation from the Vietnamese. Similarly, controlling for year of entry also increases the relative participation of these other groups. Thus, as Bach states, "the observed differences among ethnic groups in the labor market are due in large part to their diverse experiences in the countries of origin." What is significant is that these differences in background characteristics continue to cause differences in ethnic patterns even after the refugees have spent several years in the United States.

Household Size and Composition: The larger the household, the less likely are the adults within it to be seeking or finding work, again regardless of other characteristics. Refugees living alone and those living in households with multiple families tended to have higher employment rates than those living in nuclear families and extended families. ISR found, however, that the vast majority of the sample lived in nuclear and extended families.

This relationship between household size and employment can be explained in two ways. First, it is more difficult for families with large households, especially when most of the household members are children, to support themselves on the type of employment that is generally available to refugees—minimum wage jobs. Second, in large households with young children, it is more difficult for all adults to seek employment since at least one will usually have child-rearing responsibilities. As discussed below, child care programs are not generally funded through the refugee program.

Public Assistance Policies: Public assistance policies and practices exert a significant influence on refugee employment. Of interest here are both benefit levels (that is, the size of the welfare grant available to refugees) and eligibility criteria (particularly, whether refugees qualify for Aid to Families with Dependent Children (AFDC) on the same basis as other U.S. residents).

Residence in a state with a generous public assistance system depresses employment rates. Refugees living in California and other high benefit states—particularly those that permit two parent families to receive AFDC—are generally found to have lower participation rates than those residing elsewhere in the United States. Conversely, refugees living in Texas and other states with low benefit levels and restrictive eligibility guidelines tend to have higher labor force participation than those living in states with the opposite characteristics.

The relationships between state welfare policies and employment is not a new phenomenon. The depressed employment rates found in states with generous welfare benefits, particularly California, have been documented in studies of the experiences of Southeast Asians who have arrived since 1975. As one study looking at the 1975 arrivals noted: "Residence in California, happy or not, does not

correlate with economic success; the California welfare system appeared to sap refugees' economic energies" (Baker and North: 1984).

An issue that is still not fully resolved by the research, but much debated politically, concerns the effects of linking cash and medical assistance for refugees (Forbes: 1984). Generally, refugees do not cite health problems as a reason for not participating in the labor market. Nor do refugee health care patterns show heavy reliance on medical services. A recent study of health service utilization patterns concluded that refugees, after their first three months in the country, tend to use health services at a lower rate than other U.S. residents (August: 1984). This finding is in accordance with research on other immigrant and minority groups.

Although actual utilization is low, refugees appear to take the prospect of losing medical benefits into account in determining whether to take jobs that do not provide medical coverage. The evidence here is mostly impressionistic. Service providers often cite loss of Medicaid or Refugee Medical Assistance as an important disincentive to early employment, as do refugee leaders. Their concern is upheld by an examination of the replacement cost of Medicaid coverage. The monetary value of the Medicaid benefit that accrues from eligibility for cash assistance is substantial: $702 per year by one calculation and $629 by another. In many states, if Medicaid benefits are lost, the net gain in income from working at a job that pays as much as $5 per hour is reduced to zero. (Henderson and Lerman: 1983)

Sponsorship: All refugees who come to the United States are sponsored by voluntary agencies that have been resettling refugees since the end of World War II. Most agencies work through a variety of different sponsorship models, using relatives, American families, congregations and professional staff to assist the refugees.

The bases for using voluntary agencies in resettlement were described by North, Lewin and Wagner in "Kaleidoscope," a study of the voluntary resettlement agencies: (1982)

(1) The volags are *there* and likely to stay, providing capacities and continuity lacking in public agencies.
(2) They are more flexible in size and in function than units of government.
(3) They bring private resources to bear, as governmental agencies cannot.
(4) They attract, and keep, dedicated staff people.
(5) They avoid a potential bias towards welfare, which might be found in the human resources agencies.
(6) They are knowledgeable about, and sensitive to, ethnic differences and the special problems of refugees.

The authors concluded that these assumptions largely remain valid, though it was difficult to document some of the claims, particularly regarding private resources. A recent study by Church World Service, "Making It on Their Own," attempted to document contributions by CWS sponsors and congregations, showing an estimated $133 million in cash, goods and services (1983).

The research on the relationship between specific terms of sponsorship and employment outcomes is inconclusive. ISR found no independent influence on self-sufficiency by sponsorship model. On the other hand, Bach found a significant effect. His study indicated that, after controlling for other variables, refugees resettled by an American family have higher labor force participation rates than do those assisted by relatives, congregations or professional staff. The differences in findings may be explained by the measures used in the two studies. ISR examined

public assistance utilization and income, whereas Bach looked at labor force participation. It is possible that refugees sponsored by American families are more likely to *look* for work, but they may be no more likely to find employment that takes them out of poverty.

Training Programs: The research suggests that participation in language and other training programs is likely to influence entry into the labor market, with those in training less likely also to be in the labor force. The causal relationship between service use and labor force participation is a difficult one to measure, however. It is unclear if refugees are in training programs because they do not feel that they are ready to seek work, or if they do not seek work because they are in training programs. Whatever the direction, the value placed on education and training is clear from the research findings. In the 1984 survey of Southeast Asian refugees, almost 30 percent of the 25 to 34 year old refugees and 86 percent of the 16 to 24 year olds cited the pursuit of education as the major reason for not seeking work. Interestingly, only 10 percent cited limited English as the reason for not seeking jobs. The refugees' desire for education, or for the general skills that accrue from training programs, may be stronger than their perception of a problem (such as lack of English), that education will help solve.

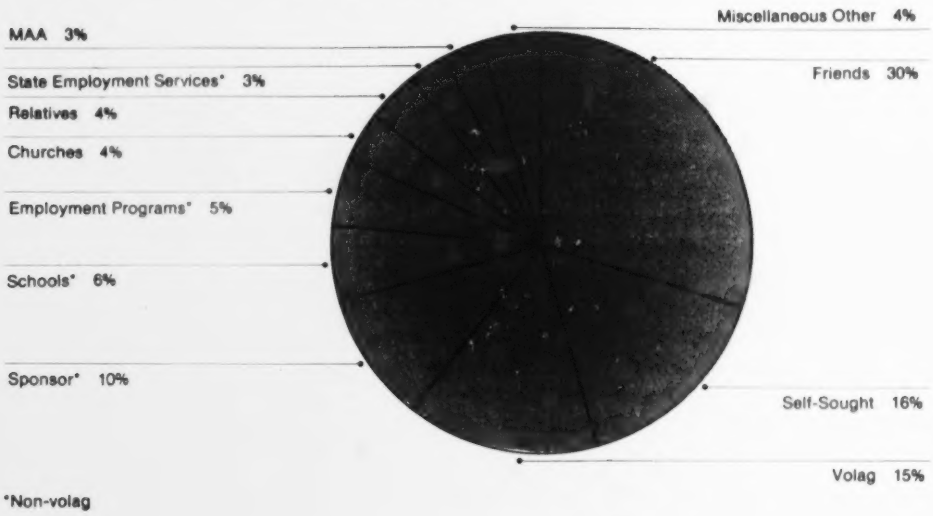
Another indication that training is likely to retard entry into the labor force comes from an examination of improvements in English language proficiency. When looking at refugees who arrived in the same year and controlling for other characteristics, it appears that improvements in English are negatively associated with labor force participation. In other words, the greater the improvement in English between the time of entry and the time of the survey, the more likely it is that the refugee is not seeking work. Studies have shown that enrollment in language training, as compared with employment, is most likely to lead to improvements in language proficiency.

It is likely, at least in the short-term, that the negative relationship found here between improvements in English and labor force participation occurs because enrollment in these training programs is a substitute for job searches. These findings indicate that training and employment are sequential activities rather than simultaneous ones. Refugees first attend language training programs and, then, when they have completed their training, they look for work.

Employment Services: Refugees find employment through a variety of sources, among them family and friends, sponsors, employment services, and their own initiative. Most studies indicate that the informal networks of ethnic and American associates more frequently result in job placements than do the more formal job services. ISR, in a finding that parallels other research, found that half of the sample of recent Southeast Asian arrivals had found their employment through personal contacts (friends, relatives or own activities) and another 14 percent through American sponsors and local churches; only 29 percent attributed job placements to formal employment services and resettlement agencies. (See Table VII.)

ISR examined use of employment services by refugees in greater detail. The services covered included everything from orientation to the American job market and workplace to assistance in identifying jobs to actual job placements. Thirty percent of the refugees received employment services, with 31 percent of these receiving them from resettlement agencies, 31 percent from government agencies, 18

TABLE VII How did you get that job?



Source: Institute for Social Research, "Southeast Asian Refugee Self-Sufficiency Study. Final Report," 1985.

percent from schools and 20 percent from other providers. Nearly half the refugees in Chicago and Seattle received these services, compared to only 9 percent in Houston. Men reported a higher use than women did. Students, farmers and housewives were less likely to receive employment services than were those in other occupations. Users of employment services were also more likely to have better English proficiency at the time of the survey and to have been in the United States slightly longer than non-users.

In general, it appears that employment services are more often used by those who come to this country with greater skills and who have better access to U.S. job markets.

Economic Conditions: Employment rates, more than labor force participation rates, reflect general economic conditions as well as refugee characteristics and experiences. An examination of the employment history of refugees who arrived in 1975 shows that these relative newcomers have been adversely affected by recent economic difficulties in this country. As Table IV indicated, in 1981, the unemployment rate for 1975 arrivals stood at 6.4 percent, lower than the U.S. rate of 7.5 percent. By 1982, however, the effects of the recession had been felt, and this group's unemployment rate increased to 12.7 percent, higher than the U.S. rate of 9.9 percent. In 1983, the 1975 arrivals' unemployment remained high (12.1 percent). It is only in 1984, when the economy showed significant improvement, that the unemployment rate fell to 6.3 percent, again lower than the overall U.S. rate.

Yet, even during an economically troubled period, time exerts a strong beneficial influence on employment. More recent arrivals, although also affected by the recession, were able to make significant progress in increasing their employment, at the same time the employment rates of those who entered before 1979 were going

down. Between 1981 and 1983, the unemployment rates of the 1981 arrivals declined from 45.2 percent to 40.7 percent to 16.8 percent. Between 1982 and 1983, the unemployment rates of the 1982 arrivals declined from 62.5 percent to 30.4 percent.

It would appear that during their first few years in this country, refugees' employment patterns are primarily controlled by factors related to their refugee status and experiences, and to policies regarding their eligibility for public assistance. With each year in the country, they are more likely to be employed, until they reach what could be termed equilibrium with general U.S. rates. After this point, the likelihood of continued employment is more affected by conditions in the U.S. economy than by their refugee status. As newcomers, refugees may find themselves subject to "last hired/first fired" rules, but this phenomenon equally affects other populations.

Public Assistance Utilization

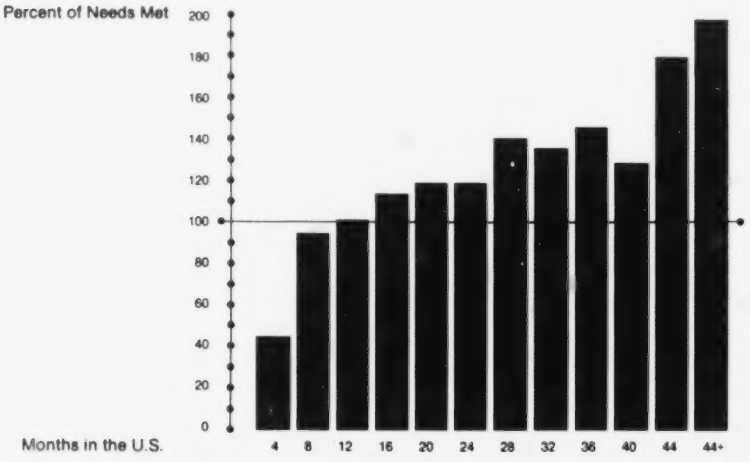
As of the end of FY 1984, about 54 percent of refugees who had been in the United States for three years or less were receiving some form of cash assistance. Welfare utilization rates vary greatly from state to state. For example, in California, over 85 percent of the refugees in the United States for three years or less are estimated to be cash assistance recipients. In Texas, on the other hand, less than 20 percent of these refugees are receiving public assistance.

Welfare utilization patterns also differ by nationality. Southeast Asian refugees, by and large, have higher utilization rates than do refugees from other regions. According to the Office of Refugee Resettlement, the best estimates are that 60 percent of Vietnamese and Lao and 49 percent of Khmer refugees, in this country for less than three years, receive cash assistance. The rates for refugees from Eastern Europe (excluding Poland), Afghanistan and Iraq are in the low 30 percent range and those for Soviets and Ethiopians in the high 20 percent range. Refugees from Poland have welfare utilization rates of about 20 percent.

Most information available on patterns of welfare use over time pertain to Southeast Asians. The capacity to become independent of public assistance programs, as with employment, improves over time. According to the ISR study, whereas almost 80 percent of those in the United States for less than eight months were found to be fully dependent on public assistance, only about 30 percent were fully dependent after three years. The percentage of those living on earned income only rose from three percent in the first four months to about 50 percent after three years. The annual survey of Southeast Asians shows similar findings. About 70 percent of those in this country for less than six months live in households receiving cash assistance; for those in the United States for over 36 months, this group has dropped to 39 percent.

For a household to become independent of public assistance generally requires multiple wage earners. As ISR notes, "dramatic changes in economic status occur when additional people take jobs rather than from changes in wages through the job advancement of a single individual in the household." Of households with no employed member, 17 percent were above poverty level; 68 percent of the households with one job and 93 percent with at least two jobs were above poverty level.

TABLE VIII Percent of Poverty Standard Met By Total Household Income



Source: Institute for Social Research, "Southeast Asian Refugee Self-Sufficiency Study. Final Report," 1985.

Income

Refugees are now having problems finding jobs that pay enough to take them out of poverty. In a study "Refugee Earnings and Utilization of Financial Assistance Programs" David North concluded that "the wages and earnings of the refugees clearly place many of them in the lower tiers of the U.S. labor market (North: 1984)." Moreover, in examining survey data from 1981, 1982 and 1983, he found that average weekly wages *decreased* during the recession.

ISR found that 50 percent of the households they sampled fell below the federal poverty level. Over time, however, refugees are likely to rise above this line. In Table VIII, for example, households in the United States for four months or less had income that was only 46 percent of the poverty level, whereas those in the country for 36 months had income that was one and one half times the poverty line.

Whether a refugee household is above the poverty level is affected by the source of the household income. The majority of households that were solely dependent on public assistance programs were below the poverty line. Households with combined earnings and assistance income tended to be just above the poverty line, and those with earned income only were the most likely to be well above the poverty level, although even 12 percent of these refugee households remained below the poverty line.

The likelihood that refugee households have incomes that place them above the poverty line is determined by a number of factors. Not surprisingly, small households fare better financially than large ones since it is more likely that minimum wage employment will bring a small household out of poverty. So too do households with more than one employable adult since multiple wage earners are needed to raise earnings above the poverty line.

Also strongly affecting the economic status of the household is English proficiency on arrival. After controlling for other factors—e.g., previous education

and occupation—refugees who had a higher level of English on arrival were more likely to live in a household whose income was above the poverty level.

This finding, in combination with Bach's conclusion that English proficiency has little independent effect on labor force participation, shows the complexity of the relationship between language and economic adaptation. It may be that knowledge of English does not have a significant, independent effect on the capacity of a refugee to seek and even find jobs, but that it does affect the capacity to earn sufficient wages to raise the household income above poverty level.

English Language Proficiency

Knowledge of the English language is important, as we have just examined, in economic adaptation, and it is a prerequisite for full participation in U.S. institutions. Federal refugee policy promotes implementation of programs aimed at increasing English language acquisition. The Refugee Act recognizes that language training serves an important function apart from its relationship to employment. In the Act, the Director of the Office of Refugee Resettlement is authorized "to provide training in English where necessary (regardless of whether the refugees are employed or receiving cash or other assistance)." A substantial portion of funds used for social services is earmarked for language training in the United States. In addition, language training is provided in overseas camps to refugees who are bound for this country. Given the emphasis on language training, an examination is warranted of the extent to which English is acquired by refugees.

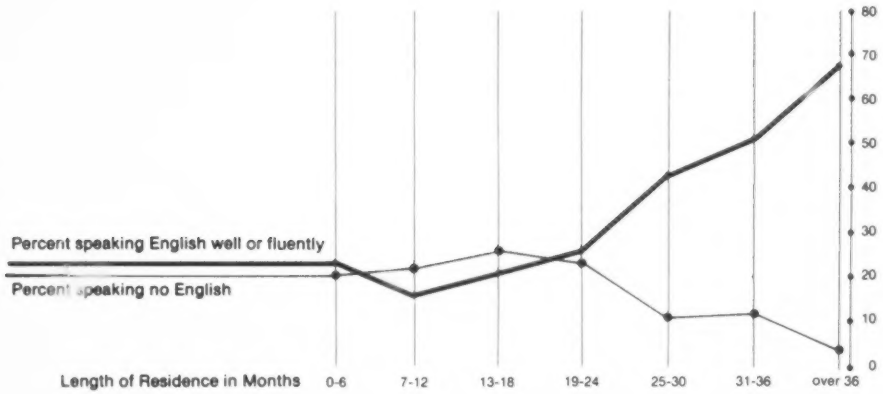
Arrival and Current English

Most Southeast Asian refugees, at the time of entry, have very limited English language proficiency, with anywhere from one-third to two-thirds of all new arrivals speaking no English at all, depending on the survey and the year of arrival. According to the annual telephone survey of Southeast Asian refugees, the range in percent of refugees speaking no English has been between 40 and 50 percent since 1975. On the other hand, ISR found that 64 percent of new arrivals spoke no English at the time of entry.

In 1975 a significant proportion of refugees (about 30 percent) spoke English well or fluently upon arrival, but the proportion of such refugees has been far lower among the post-1979 arrivals (about 7 percent). In recent years, with the advent of overseas language training, the percent of refugees who speak English well has risen modestly to 9.2 percent.

English proficiency on arrival is strongly influenced by background characteristics, including previous education, previous occupation (professionals, military personnel, clericals and students having a higher level of English), gender (men arrive with significantly better English skills) and age (older refugees having less English on arrival). It is also influenced by training in overseas camps, with those receiving such training arriving with higher English skills than those who do not receive it.

TABLE IX Patterns in the Adjustment of Southeast Asian Refugees



Source: ORR Annual Report to Congress, January 31, 1985.

Over time, the proportion of refugees who become fluent in English increases. Among those in the United States for 31 to 36 months, according to the Southeast Asian telephone survey conducted in October 1984, 51.4 percent speak English well. (See Table IX.) These refugees arrived in the United States in 1981 and 1982, when the level of pre-arrival English was very low. ISR also found gains in English proficiency, with 88 percent of the sample showing some English ability at the time of the survey, as contrasted with 37 percent on arrival. Only 4 percent had spoken English "very well" or "fairly well" on arrival; at the time of the survey 20 percent believed they spoke English proficiently.

Although the proportion of refugees who speak no English shows signs of improving over time, a core appear to make little, if any, gains. According to the telephone survey, approximately 20 percent of those in the country for almost three years still speak no English by their own evaluation.

Factors Influencing Gains in English

Acquisition of English in the United States is influenced by a combination of personal characteristics and training. A survey conducted by the Northwest Regional Educational Laboratory (NWREL), "A Study of the Extent and Effect of English Language Training for Refugees," examined these factors through a community survey of refugee households and a longitudinal study of a selected group of refugees who had recently arrived (NWREL, 1982-1984).

Background Characteristics: Previous *education* continues to exert a strong influence on language proficiency, as does *gender*. *Literacy* in another language also positively affects gains in English. The strength of these relationships is apparent in looking at the proportion of refugees who believe they have sufficient English to

look for a job. Only 6.3 percent of those with no previous education considered themselves to have this English competency whereas 77.3 percent of those with 12 or more years of education so defined themselves. Similarly 15.8 percent of those who were illiterate in their native language, in contrast to 53.7 percent of those who were literate, believed they had enough English to look for a job.

Training versus Employment: Within the refugee field, there has been a persistent debate about the relative impacts of language training and employment on gains in English proficiency. Some have argued that refugees will learn English more quickly if they are enrolled in full-time classes, whereas others have argued that employment, or a combination of employment and training, will stimulate greater acquisition of English skills.

NWREL found that among people of similar backgrounds, those who take language training acquire more English than those that do not. Language training was found to be a more significant predictor of English gains than is employment. The longitudinal survey followed four groups of refugees: 1) those who were in language training only; 2) those having a combination of training and work; 3) those in work only; and 4) those participating in neither. Those in some type of work experience generally started at a higher level of English than the others. At the end of six months, the gains in English displayed by those in full-time language training were significantly greater than those in employment, with the training group surpassing the language ability of the employed group by the end of the period.*

Availability of Language Training in the U.S.: For the most part, language training is now widely accessible in the United States. NWREL found that 74 percent of the adult refugees in their sample had received language training in the United States, with the average number of hours of instruction being 681 for those participating in classes. ISR had similar findings: 75 percent of the adult refugees sampled had or were receiving language training. Those that had completed their training reported an average of 600 hours of attendance. Almost two-thirds had taken an elementary class, 25 percent an intermediate one and 10 percent an advanced one.

Utilization of language training differs by gender and age. In all age groups, men are more likely to attend class than women (81 percent vs. 67 percent in the NWREL sample). Younger refugees are also more likely to receive training, with refugees who are over the age of 50 being the least likely to be enrolled.

Refugees with no previous education are less likely to be receiving language training and they have fewer hours of instruction in this country. ISR found that those with college degrees are also less likely to be in language training programs, presumably since they are more likely to know English. In both samples, those most likely to be receiving extensive language training are refugees with some education, the NWREL study showing that these refugees received an average of 752 hours of instruction.

Utilization further varied by location in the United States. Refugees in California (Orange County in one sample, Stockton in the other) were more likely

*The NWREL study followed a group of refugees enrolled in what were considered to be model language training programs where the level of instruction was notably high. Were a similar study to be done at randomly selected programs, the findings may not correspond.

to be enrolled in programs than those in Houston or Denver. The latter two sites had significantly more employed refugees than the California sites. As was shown above, language training and employment tend to be sequential activities. Thus, where relatively large numbers of refugees become employed early in their resettlement experience, relatively fewer are enrolled in language training; conversely, where larger numbers are receiving public assistance, more are receiving training.

NWREL found that the percentage of refugees who are employed and participating in language training (15 percent) is half the percentage of those who are not working (31 percent). This can be explained in two ways: the needs of the refugees and the policies governing eligibility. First, refugees who already speak English—and therefore have less need of language training—are more likely to be employed; further, refugees who are employed have less time available for training activities, particularly since most classes run for about three hours per day, four days per week. Therefore, employed refugees are less likely to either need or have the time to use language training programs. Second, most language training programs give priority to new arrivals, recipients of public assistance and people who are not yet employed. Refugees who are already employed, even if marginally, are not high priorities for language training programs.

Ethnic Community Development

Ethnic community development is a complicated measure of adjustment. Ethnic support structures serve as intermediaries between the new arrival and the general U.S. society, helping the immigrant learn of mainstream expectations and communicating ethnic interests to decision-makers and institutions outside the community. Since the founding of this nation, ethnic communities thus have played an important political and economic role in supporting the aspirations of their members.

Ethnic community development may be at odds, however, with expectations about the integration of refugees into the broader U.S. society. The concept of the "melting pot" still holds much force in this country. The capacity to socialize with native-born U.S. residents, and the interest in doing so, are important marks of cultural and social assimilation. (Economic adaptation may operate apart from social assimilation, with members of a separate, ethnic enclave able to support themselves without reliance on public assistance.)

A recent study by SRI International (SRI) examined the role of the Southeast Asian ethnic community at the local level. (SRI: 1983) The study found that these communities share some common elements, regardless of ethnicity. Informal social networks, particularly familial ones, are at the heart of the ethnic community. But refugees set up more formal organizations, too, including religious institutions, businesses and self-help organizations. These latter institutions, generally termed mutual assistance associations (MAAs), serve several purposes. Some are primarily social or cultural in nature, while others offer educational, employment and other services to their members and the broader ethnic community. Some are supported by the community itself, while others receive funds from non-refugee sources, including government agencies.

The number of self-help organizations varies by nationality, the characteristics

of the refugee population, and location—though not necessarily by the size of the refugee community. SRI found, for example, that metropolitan Washington, D.C. and Orange County, California have far more MAAs, relative to the size of the community, than does New Orleans. Washington and Orange County have long-standing Vietnamese communities that are economically successful, with a high proportion of residents who were leaders in Vietnam. On the other hand, a greater proportion of rural, more poorly educated Southeast Asians settled in New Orleans.

Most of the MAAs examined by SRI were not particularly active. Few brought members together regularly or had a consistent set of activities. Similarly, few refugees report active involvement in MAA activities, although a higher number are officially members of these organizations and a still higher number use their services.

Over time, the development of MAAs into service organizations has increased. The federal government has provided incentive grants to states to encourage them to fund refugee organizations as service providers. A recent initiative, its impact has not yet been evaluated.

SRI found that ethnic communities play a role in assisting refugees toward both social and economic adjustment. ISR's study of self-sufficiency also emphasizes the ethnic community, and more specifically, the ethnic household as a major deteriminant of economic adaptation. According to SRI, the ethnic community serves many purposes. It is a source of social, emotional, and spiritual support at a point at which many refugees are confused about their futures. It is also a source of more tangible support. Refugees within a given ethnic community pool money for both living expenses and to begin business ventures. The community thus serves as a surrogate banking institution. Moreover, shared housing is used to minimize expenses and increase the likelihood that employment will lead to self-sufficiency.

SRI examined the interactions between refugee and nonrefugee communities. Language and cultural barriers, not surprisingly, were found to hamper these interactions. And refugees have often been perceived to be isolationist, wanting to socialize primarily with members of their own nationality. There is evidence, however, that social assimilation is taking place over time, especially among the younger generation.

The refugee community, through both its informal and formal networks, provides direct services to members of the community. As noted above, MAAs are now important sources of educational services, employment services, translation and interpretation, mental health services and others. Moreover, the ethnic community structures help refugees access other services. Perhaps, most important, it is through informal refugee networks that many refugees find jobs, having been referred to employers by other refugees.

The effectiveness of ethnic organizations is influenced by a variety of factors: for example, their financial resources; the capacity of their leaders and staff to perform the functions expected of them; divisions within the community that can fragment service delivery; the ethnic community's knowledge of services and programs outside of their own network; and the needs of refugees for the services provided by MAAs.

SRI concluded that the forms of support offered by the ethnic community are crucial in the adjustment of refugees. As SRI stated:

> On the whole, the intangible and tangible support provided by the community

positively affects the social and economic adjustment of refugees, even though some refugees might become socially isolated by relying exclusively on the community for support.

In this respect, the Southeast Asian community is following a pattern previously adopted by many other immigrant groups.

PATTERNS OF RESIDENCY AND THE IMPACT OF REFUGEES

Policy makers and program implementors have long been concerned with issues pertaining to the geographic distribution of refugees and their impact on U.S. communities. Questions about these patterns have been asked at every recent Congressional hearing on refugee legislation and admission levels. Understanding these phenomena is key to policy planning regarding three major issues:

- Admissions decisions—The Refugee Act of 1980 requires that information be provided, during the consultations on refugee admissions numbers, on the anticipated social, economic and demographic impact of refugee admission to the United States;
- Placement policy—U.S. placement policy states that "the distribution and placement of refugees shall be done in a manner which will reduce further the impact on certain communities and avoid creating new areas of high impact in the future"; and
- Federal reimbursement of state and local costs—An explicit aim of the refugee resettlement program is to ensure that no state or locality bears an undue financial burden because of the admission of refugees to the United States.

Patterns of Residency

Where refugees live in the United States is determined by two major factors, each of which is influenced by several other factors. First, refugees are *placed* in U.S. communities upon their entry into this country. After initial placement, some refugees relocate, moving to new communities within the state of original settlement or to different parts of the country. This is referred to as *secondary migration,* the second factor affecting geographic distribution.

Since 1945, official and informal U.S. refugee placement policy has aimed at dispersing refugees throughout the country, in order to minimize negative impacts on receiving communities and hasten self-sufficiency. While the initial placement of refugees may be controlled by federal policy, secondary migration is more difficult to control through either policy or programmatic interventions. These later movements of refugees may occur, however, as an unintended consequence of policy changes.

Residency Patterns of 1975 Arrivals

In 1975, when the first Southeast Asians were resettled, special efforts were made to settle them throughout the nation. Because of this conscious decision, their pattern of settlement was much closer to that of the general U.S. population than to previous refugee groups or other immigrants. About 57 percent were placed in 11

states, which each received more than 3,500 persons. California was the principal state of resettlement, receiving over 20 percent of the newcomers.

In 1975, placement decisions were made on the basis of a number of factors, including the preferences of the refugees (generally for urban areas, places with an existing Asian population and a warm climate) and the availability of sponsorships (generally in metropolitan areas, near military or government installations and favorable employment prospects). About half of the refugees were placed where they requested, whereas the rest were sent to other locations.

Fully 45 percent of the 1975 arrivals relocated by 1980. Generally, secondary migration was in the direction of the West and South, in conformance with general U.S. patterns of the same period. Secondary migration tended to lead to greater concentrations of refugees, as persons in small refugee communities moved to those with larger refugee populations. While initially only 8.5 percent of the refugees lived in areas with more than 3,000 refugees, by 1980, 20 percent lived in these areas.

Those refugees who were settled where they requested were less likely to move than the other refugees. A negative resettlement experience, including long stays in reception camps and difficulty in finding a sponsor, was positively associated with secondary migration. States with restrictive cash assistance policies tended to lose refugees, and states with good employment prospects, a large Asian population and high welfare benefit levels tended to gain refugees. Although background characteristics had a marked effect on economic adjustment and language acquisition, they had relatively little effect on secondary migration.

Residency Patterns Since 1979

The placement patterns of refugees who have been resettled since 1979 show a higher level of concentration than was true of those who arrived in 1975, but because of the great dispersal that took place that year, the Indochinese refugees are still more dispersed than other immigrant populations. The current geographic distribution of refugees upon arrival has been influenced by the following factors:

- Placement policy that recognized the legitimacy of family reunification, leading to placement of most Indochinese refugees in areas that already had high concentrations of refugees;
- Formal placement policies that reduced the placement of refugees without family ties into high impact areas and encouraged the development of new resettlement sites, through the Khmer Guided Placement Project and the Favorable Alternative Sites Project (Berkeley Planning Associates: 1984); and
- A growing diversity in refugee populations that are now being settled. This has contributed on the one hand to high concentration (since most non-Indochinese refugees are more highly concentrated than the Indochinese) and on the other to the introduction of new refugee resettlement sites (i.e., places which received few Indochinese refugees but are receiving large numbers of other groups).

Less information is available on the secondary migration patterns of more recent arrivals than on the 1975 Indochinese refugees. Since 1982, aliens are no longer required to register each year with the Immigration and Naturalization Service; therefore a valuable data source on secondary migration has been lost.

Current analyses of secondary migration are based on reports from public assistance agencies.* These show:

- A total of 94,622 refugees, or 73 percent, receiving assistance were living in the state in which they were resettled initially.
- Of the 34,422 refugees (27 percent) who had moved to another state, nearly 22,000 (63 percent) had moved to California. New York was the second favored destination, attracting 2,444 people, or 7.1 percent.
- Almost all states experienced both gains and losses due to secondary migration. Even states with as few as 23 refugees (Delaware, for example) attracted individuals from other states.
- Outmigrants counted in this survey represented 15.2 percent of all of the refugees who arrived from July 1981 to June 1984. In about 15 states, a much higher than average proportion of arrivals left the state and sought assistance in another state. Most of these states have more restrictive welfare eligibility criteria and/or lower benefits and/or no general assistance program. In several other states, a much lower than average proportion of arrivals left the state and sought assistance elsewhere. These states generally have liberal cash assistance policies and high benefit levels and/or they are states that have resettled large numbers of non-Indochinese refugees.
- There was a substantial amount of population exchange between contiguous or geographically close states. This pattern is consistent with general migration patterns.

Finding extensive population movement into California was not unexpected. Several factors, in addition to those which we have already seen in the examination of the secondary migration of the 1975 Indochinese arrivals (i.e., presence of family members, draw of the ethnic community, climate, etc.) have contributed to that pattern:

- Cash and medical assistance policy changes that led to the termination from assistance of large numbers of refugees in Washington and Oregon, a significant portion of whom moved to California; and
- The decision on the part of the Hmong community to establish a new community in the Central Valley of California.

Impacts of Refugee Resettlement

The concentration of refugees in a few locations has raised the question of the impact of resettlement on these places. As a recent study by SRI International pointed out, "impact has become an emotionally loaded term for the negative effects that refugees have had on localities." Of course, impacts can be positive or negative. And they can involve any number of effects that can stem from resettlement. SRI

*States have been asked to report on the Social Security numbers of their assistance caseloads. The first three digits gives information about where the card was issued. Since most refugees receive a Social Security number soon after entry, these numbers are a good indicator of where a refugee was placed in comparison to where he or she is receiving assistance. Although the data have certain drawbacks—particularly that they pertain only to refugees receiving assistance—they do permit an examination of secondary migration trends among a special subclass of refugees.

identifies seven sectors of local communities that are likely to be affected: housing and neighborhood environment; employment; public assistance; educational services (K-12); adult educational and employment services; medical services and mental health services. The study also describes four ways in which the impacts can occur:

> "First, population shifts can occur, as people move to accommodate newcomers. Second, changes in the structure and staffing of social, educational, and medical services can occur as agencies respond to the special needs of refugees. Third, changes in financial resource allocation in localities can result from the introduction of refugees or the refugee program. Fourth, changes can occur in interactions between residents that affect community relations in localities." (p. 114)

Not only are impacts multi-dimensional, but they change over time. What may be short-term costs can turn into long-term benefits to a receiving community. In fact, at any given time, the impact of refugees may be mixed, with certain sectors of a community absorbing costs and others benefiting from the presence of the new population.

Housing

The most immediate effects refugees have had on some locations were with respect to housing. As refugees moved into various neighborhoods, there were shifts in the character and composition of the residential areas. In many places, refugees did not displace other residents, however, since they moved into transient neighborhoods or areas with high vacancy rates. Where there has been competition for scarce housing, community tensions have risen, particularly vis a vis other minority groups.

State and Local Costs

Local services have also been affected by the presence of large numbers of new refugees. Service utilization translates into state and local costs. These take two forms: 1) costs directly attributed to a refugee population, such as unreimbursed costs of health services provided to refugees; and 2) costs of the increased demand for services that an increase in population entails. A study in Orange County, California refers to these latter costs as "secondary fiscal impacts" (Orange County: 1981).

The SRI study looked at costs incurred by states and localities pertaining to public assistance, education, employment services and health and mental health services. The study concluded that local costs are hard to document, partly (as discussed below) because many costs are covered by federal funds and partly because costs attributable to refugees may be hidden within budgets that cover services for other populations. As far as could be determined, local costs appeared to be low, but there was concern that they will rise substantially when federal support ends.

The costs of some services are difficult to calculate because additional population can be either an advantage or a disadvantage. Some states and localities

have cited the costs of education as a major expense associated with resettlement. The State of Florida, for example, calculated that the costs for public education for Mariel Cubans was $126 million in 1980 and 1981. Other jurisdictions have shown little concern about the cost of providing schooling to refugees.

The difference in approach is often related to school capacity. In a district in which schools are filled to capacity, additional population means either the classes will be over-crowded or extra funds will be needed for additional facilities and staff. On the other hand, in a district with underutilized schools, additional population may mean more effective use of existing resources. The SRI study notes that some districts with declining enrollments welcome refugee children because the added population increases their state funding and may prevent the closure of some schools.

Of most concern to state and local officials are the unreimbursed costs of cash and medical assistance provided to eligible refugees. The costs of AFDC and Medicaid are only beginning to be felt now, since the majority of refugees have been covered under federally-funded programs. During the time of the greatest migration of refugees (1980-1981), costs to the states and localities of public assistance were low. Orange County estimated, for FY 1981-82, that the county's costs for public assistance would be $556,924 and the state's cost for the refugees in that county would be $2.6 million; the federal share would be $54.6 million. County and state shares have increased since that time, particularly in areas such as California, where refugees have not become economically self-sufficient in three years.

A related area of concern has been the cost of providing public health services. In this case, though, local impacts have decreased over time. A 1982 study by the General Accounting Office (GAO) reported that local health departments were absorbing significant additional costs in providing refugees with services not covered by the federal refugee program. It cited Fairfax County, Virginia as one location with mounting costs that could be attributed to meeting refugee public health needs. According to GAO, from August 1979 to April 1981, Fairfax spent about $270,000 to provide refugees initial health screening; blood, parasite and tuberculosis tests; and immunizations. Only about $61,000 was reimbursed through the refugee health program. Los Angeles and Orange Counties, California, and the District of Columbia, among other locations with large numbers of refugees, had had similar problems.

Three factors have contributed to decreasing the negative impact on local public health facilities. First, the number of new arrivals—that is, the population most needing screening and treatment—has decreased significantly in the past two years. Second, the federal government provided special grants for health screenings and assessments. And, third, improvements were made in the overseas screening program to identify and treat problems before refugees arrived in local communities.

Federal Revenues

State and local costs have been greatly reduced by federal reimbursements, which may even contribute to a net gain in revenues. Yet studies of impacts have tended not to look too closely at the flow of federal funds, except insofar as federal funds reimburse or fail to reimburse specific costs of resettlement. The effect of the federal

dollars themselves tends not to be examined, even though the refugee program is one of only a few programs in operation that relies fully on federal funds.

Federal funding of refugee programs takes several forms and comes from several government agencies. Some federal funds come through refugee-specific programs authorized by the Refugee Act of 1980, while others come from mainstream programs in which the level of funding is tied to the number of people utilizing the service. Still others have been funded through the Fascell-Stone Amendment to the Refugee Education Assistance Act of 1980 which provided authority for reimbursing costs incurred on behalf of Cuban-Haitian Special Entrants.

The federal expenditures take several different forms. Some are grants-in-aid to the refugees, which are passed through public and private agencies; a portion of the R&P grants, matching grants, food stamps and cash assistance are in this category. Most of these funds are spent in the state in which they are issued. In other words, a refugee receives a monthly cash grant and uses it to pay for rent, food, clothing, utilities, and other necessities. Other federal funds are used to support direct services, while still others support the administrative structures needed to implement refugee programs.

Federal funds assist not only the refugee but also the merchant from whom the refugee buys goods. Service delivery agencies and government offices involved in resettlement activities also benefit; these federal funds provide for the employment of professional and clerical staff. Federal revenues indirectly aid the state and localities, since a portion goes to taxes (real estate taxes paid through rent payments, sales taxes paid through purchase of goods, and income taxes paid by those employed in refugee services). Thus, federal revenues have a broad positive impact on the states and localities receiving refugees.

Tax Payments by Refugees

Refugees contribute to public revenues in direct ways as well. Refugees pay a wide variety of taxes, including (depending on the place of residence) income taxes, property taxes, sales taxes, motor vehicle license taxes, cigarette and beverage taxes, pari-mutuel taxes, occupational licenses and permits, utility service taxes (water, electricity, etc.), and corporate income taxes for refugee-owned businesses.

There have been no empirical studies of recent refugee contributions to state and local revenues through tax payments. A study conducted in 1976 of Cubans in Miami (Arthur Young: 1976) provides some illustrative information, however, as do studies of immigrants earnings by Julian Simon (1980) and Barry Chiswick. The Cuban study identified selected taxes paid by Florida residents of Cuban origin and compared them, on a per-capita basis, with taxes paid by the non-Cuban population. It also compared the cost of providing public services (including cash and medical assistance and education) to Cubans and other Floridians. A financial impact was defined as unfavorable when Cuban residents contributed relatively less in taxes or other revenues than non-Cubans, or when a higher portion of public program costs were attributable to the Cuban than non-Cuban population. The study concluded that at the time of the study, the Cuban population would have represented a net financial negative impact if it had not been for the availability of federal funds which were directly attributable to the presence of the Cuban

population. Cuban contributions to public programs through their taxes, given their use of these programs, was proportionately lower than the rest of the population. The study identified several reasons for this disparity, some related to the special needs of the Cubans (for example, bilingual education), others to the demographic characteristics of the population (for example, the higher percentage of school-age children in older families) and still others to the places where Cubans lived (for example, Dade County medical costs are higher than those in other parts of Florida). The study further found that Cuban per-capita income (the basis upon which taxes are calculated) was lower than that of non-Cubans, thereby leading to lower than average tax payments.

Because some of the factors identified in this study were already showing signs of change—most important, that the gap in per-capita income was decreasing—the authors concluded that the unfavorable financial impact would be sharply reduced over the next three to five years. Simon's and Chiswick's studies of the overall immigrant population bear this out. Using separate data sources, they found that the income of immigrants matched and then surpassed that of U.S. natives after the immigrants had been in the country for several years. Simon found that after two to six years, immigrant families pay as much, and then substantially more, in taxes than do native families. He also found that immigrants use less public service funding, largely because of differences in Social Security, than do native families from the time of their entry until about 12 years later, when their usage roughly equals that of native families. He concluded that the net balance of payment is in the public's favor; immigrants *over time* contribute more to the public coffers than they take. As described above, refugees may take longer than those who migrate for economic reasons to close the earnings gap, but previous groups of refugees have accomplished it.

Although there is no data on refugee taxes paid to states and localities, the Internal Revenue Service has provided information on the federal tax payments of Southeast Asian refugees who arrived in the United States from 1975 through the end of 1979. These data show that tax payments have increased over time. In 1980, these refugees contributed $86,644,000 in taxes; in 1981, $115,696,000 and in 1982, $114,914,000. By contrast, this group paid only $18.5 million in taxes in 1978. Since most research shows increases in earnings with greater time in the United States, the tax payments of refugees should continue to increase.

Labor Market Impacts

Few studies have focused directly on the labor market impacts of refugees. A notable exception is the study by SRI International, "Southeast Asian Refugee Resettlement at the Local Level."

There has been a significant body of literature on the labor market impacts of immigrants. Experts differ with regard to the effect on the labor market of immigration to the United States, but agree that the major group to be affected are those who are directly in competition for the same jobs. At the risk of over-simplifying so complex an issue, it is possible to group those who discuss these impacts along a spectrum of opinion. At one end of the spectrum are those who argue that immigrants take jobs in what is essentially a fixed-job universe. Their basic assumption is that immigrants take jobs that might otherwise go to U.S.

residents and/or make otherwise acceptable jobs unacceptable to U.S. workers by permitting depression of wages and working standards.

In the center of the continuum are those who argue that immigration has mixed effects that may cancel each other out. Here, the impact is seen as complex, with immigrants affecting job opportunities and earnings of different groups of natives in relation to their level of skill. As one proponent of this view, Barry Chiswick, wrote: "Immigrants do not have a uniform impact on the native population. Some native groups gain and others lose." If immigration is primarily composed of low-skilled workers, then native low-skilled workers will suffer as the result of competition for jobs while skilled and professional workers will benefit because of the additional availability of inexpensive labor and the increased demand for products and services.

At the other end are those who argue that immigration, however large, causes substantial economic growth and immigrants have a beneficial effect on the wages and employment possibilities of other U.S. residents. According to this line of reasoning, immigrants cause an expansion in the market for goods and services and thereby induce benefits to the economy. Further, migrants contribute to technological innovation and entrepreneurial activity, and, as a result, provide opportunities that might otherwise not have existed.

Extrapolating from the literature on work experience, one can come to certain conclusions about the extent to which refugee impacts are likely to correspond to those of other new arrivals. Available research shows that employed refugees are generally in unskilled jobs, regardless of their level of education, previous occupation or skills. Not surprisingly, tensions regarding labor market impacts have occurred in areas in which there is competition for the type of unskilled jobs that refugees take. Although the SRI study found that, for the most part, job displacement did not occur as a result of refugee resettlement, it did conclude that competition was increased for some jobs. Giving an example, the study noted that "tensions over jobs have tended to occur in localities with poor economies. In New Orleans, tensions erupted between Blacks and Vietnamese in 1978 when Blacks accused refugees of displacing them from jobs, housing and services. New Orleans has chronic high unemployment; Black unemployment is usually about 20 percent."

Perhaps the most prominent example of job displacement has been in the fishing industry on the Gulf of Mexico. Among the boat people leaving Vietnam were a sizeable number of fishermen who, not surprisingly, wished to continue their previous occupations. Since 1975, the number of fishing boats owned by refugees has increased in several states along the Gulf coast. Their presence has led to community tensions and even violence. Factors precipitating tensions were a combination of economic competition and social and cultural differences and misunderstandings.

As noted above, job creation can also result from the arrival of newcomers. Job creation takes place when refugees contribute to economic growth as entrepreneurs. SRI noted that refugees are just beginning to open businesses and that these are generally too small to employ many people. It cites Orange County as an exception because the Vietnamese business community is more developed there. At the time of the survey, about 2,000 jobs had been created in the 500 to 600 refugee businesses in the county.

Generally, the full impacts of recent refugees on labor markets—whether positive or negative—have not yet been felt. The majority of the Southeast Asians have been in this country for less than five years. Moreover, they tend to be

younger, on average, than other U.S. residents. During much of the period they have been in this country, many of the refugees have received public assistance and have not been employed. Many have been in training programs since their arrival. As more refugees actually enter the labor force, the issue of job displacement may arise in more locations. Conversely, as more refugee businesses open, the labor market benefits of this population may be more evident where this economic development occurs.

POLICY IMPLICATIONS

Refugees from Southeast Asia are on what is likely to be a lengthy, difficult road toward full self-sufficiency. The various surveys that have been conducted make up a bleak picture of the present, with much higher than average unemployment, underemployment among those who find jobs, and substantial numbers living in poverty.

If the current picture is bad, however, there are promising signs for the future. Over time, refugees are likely to show economic progress. Improvements will come partly from what one researcher has called the "inexorable" movement to self-sufficiency. Each year a larger proportion become employed and the percentage climbing out of poverty also rises. Still more progress is likely to result from the economic recovery. Refugees were hard hit by the recent recession, with the unemployment rates of even those who arrived in 1975 climbing well above the national average. In 1984, however, many refugees appear to have regained some of the economic successes that had characterized their earlier experience in the United States.

The research shows that the majority of refugees are able to become employed, leave public assistance and increase earned income to place themselves above poverty within two years of arrival, with refugees from advantageous backgrounds and/or small households more likely to achieve these ends. There appears to be a distinct pattern of resettlement, with about three-quarters of all refugees being economically dependent during the first year, slightly more than half being in this position during the second year, and about one-third still receiving assistance by the end of the third year.

Relatively little is known, at present, about the long-term prospects or experiences of the population that does not become self-sufficient. About one-fourth of the refugees appear to remain dependent beyond 36 months. Continued reliance on public assistance has been found related to age (that is, many of those receiving income subsidies are over the age of 55) and family composition (that is, single-parent households or two-parent families with large numbers of children). Even within the overall U.S. population, these groups are the most likely to require long-term assistance. Whether these refugees will be able to become economically independent at a later point in their resettlement experience—and what effect, if any, their prolonged use of public assistance will have on the next generation—is still to be seen.

Whether the overall refugee resettlement program is seen as a success or failure is, in part, determined by what one believes about the rapidity with which refugees can become self-sufficient. While there is general agreement that self-sufficiency should be the goal of the resettlement program, there is less agreement about timeliness and mechanisms for achieving this objective. Much of the debate has focused on the relationship amongst early employment, welfare utilization and long-term economic self-sufficiency. On the one side are those who argue that refugees need a transition period in this country, during which they should receive training to help them in their long-term adjustment. Generally, public assistance is seen as a necessary mechanism to provide interim income support to refugees while they are preparing themselves for the future. On the other side of the debate are those who

argue for the earliest employment possible for refugees. Underlying this position is the belief that employment within a few months of arrival is 1) the best route to long-term self-sufficiency and 2) necessary in order to decrease the overall costs of the resettlement program. Often, public assistance and training programs are seen by the proponents of this position as impediments to self-sufficiency.

For the most part, the timelines for achieving self-sufficiency have been set through policies governing federal reimbursement of the costs of public assistance. These policies stem only in part from concerns about refugee adaptation. Equally pressing is the desire to minimize potential state and local costs. At present, refugees have special eligibility for public assistance for the first 18 months after their arrival; if they are categorically eligible for Aid to Families with Dependent Children (AFDC) or General Assistance programs, the costs of providing this assistance are reimbursed for an additional 18 months.

Since expectations about self-sufficiency have been set through reimbursement policy, budgetary and political considerations have played a strong role in determining the route to and number of months within which refugees are expected to become economically independent. These factors are likely to continue to exert a major pull on policies. Their importance should not, however, mask the fact that policies that make political or fiscal sense may not necessarily be in accordance with actual or possible patterns of adjustment.

Unfortunately, in setting policies geared toward the attainment of self-sufficiency, research is of limited use. The various studies examined in this report demonstrate the complexity of the relationship between employment and self-sufficiency. It is important to note that for many refugees who can and do become employed within a few months of arrival, early employment will not always translate into self-sufficiency. Refugees who are receiving public assistance are not necessarily unemployed. They may be receiving supplemental assistance because their earnings do not give them sufficient income to make them ineligible for public aid. Nor are refugees who are not receiving public assistance necessarily economically secure. As we have seen in one survey, 12 percent of the refugees who relied solely on employment had incomes that placed them below the poverty level. Whether these refugees should be considered to be "self-sufficient" is a matter of definition.

It is not clear from these studies, moreover, whether the curve of self-sufficiency can be compressed, with refugees perhaps following the same pattern but in fewer months. Nor is it clear whether early employment versus training leads to long-term self-sufficiency. The research is constrained by the very policy choices, in terms of public assistance programs, that are under examination. The policy governing eligibility for special programs, as well as the assumptions of service providers about the feasibility of refugees achieving self-sufficiency, will themselves determine the length of time between arrival and self-sufficiency. For example, service providers often report an upsurge of job-hunting activity among refugees who have been in the United States for 16 or 17 months. Knowing they are about to lose their eligibility for public assistance, a more serious job search begins. Similarly, many refugee service programs target their efforts at those who about to lose their eligibility for public assistance and spend relatively little time with newer arrivals. Demonstration projects that test alternative models of resettlement and use different approaches and timetables for economic adaptation may provide the information necessary to make a more informed decision.

Although there are limitations to the usefulness of the research, the recent

studies contain findings that clarify some of the processes at work in refugee adaptation and allow for an examination of some of the basic premises underlying policy choices in the domestic assistance program. Since passage of the Refugee Act, a number of policies aimed at achieving these objectives have been promulgated, including:

- Cash assistance is conditioned on registration with an appropriate agency providing employment services (a provision that waived this requirement for refugees in the United States for 60 days or less has been repealed);
- States have been required to use 85 percent of their social service funds for services that are directly related to employment;
- Language training, cultural orientation and pre-employment training are now provided overseas to give refugees a headstart;
- Areas with large concentrations of welfare dependent refugees have been given targeted assistance grants aimed at stimulating employment among this population;
- The Office of Refugee Resettlement has provided special support for the development of Mutual Assistance Associations;
- Congress mandated implementation of demonstration projects to test alternative cash and medical assistance programs to determine if disincentives to employment inherent in the current welfare system can be removed; and
- ORR, the Bureau for Refugee Programs and voluntary resettlement agencies have developed placement policies aimed at limiting resettlement of refugees in areas of high impact.

These policies emanate from several premises regarding refugee resettlement. They include the beliefs that:

- services provided to refugees contribute positively to economic self-sufficiency;
- public welfare acts as a disincentive to economic self-sufficiency;
- refugee self-help groups play an important role in refugee adjustment;
- refugee dispersal aids effective resettlement and minimizes state and local negative impacts; and
- refugees represent a net negative impact on states and localities that should be offset by dollar-for-dollar reimbursement of their costs by the federal government.

Recent research studies have focussed on each of these basic underlying premises of refugee resettlement policy. The implications of this research regarding these points are discussed below.

Assumption: Services provided to refugees positively contribute to economic self-sufficiency for refugees.

As noted above, the most straightforward analysis that can be done of refugee self-sufficiency focusses on the personal characteristics of the refugees. Most studies have examined, in some detail, the relative impacts of demographic characteristics, previous education and occupation, and current proficiencies. In a far less detailed way, programmatic influences have also been examined, including use of language training and employment services and state welfare benefits and eligibility requirements.

Generally, the personal characteristics of refugees upon arrival and their demographic characteristics, including household size, are found to be stronger predictors of economic adaptation than either their current proficiencies (in English, for example) or the services they have used. In fact, the service programs that have been established to assist refugees, whether sponsorship models, employment services or language training, appear to have only a marginal impact on economic self-sufficiency.

There are a number of possible explanations for these consistent findings, some related to the research itself and others pertaining to the process of adaptation, the nature and quality of services, and the effects of the public assistance system.*

Economic adaptation may be a process that unfolds as it does, regardless of whether services are available or not. Some support for this theory comes from a comparison of refugee patterns of adaptation and those of other immigrants. The income curve exhibited by refugees is very similar to the immigrant pattern. Immigrants tend to have incomes that are well below U.S. averages upon arrival, but over time their earnings meet and then exceed those of other U.S. residents. Although it may take longer for some refugees, particularly those with little previous education, to follow this pattern, they are on the same course.

Some of the explanation for the marginality of services may reside in inadequacies in the service delivery system itself. First, the research has shown that employment services tend to be used by refugees who have the same characteristics that are found to influence employment rates positively: those who speak some English on arrival, those with better education and those with transferable skills. It appears that employment services, as they now function, best assist those who would be most likely to find jobs without assistance. They are generally not targeted on the harder-to-place refugees (for example, older refugees, secondary wage earners, those with fewer transferable skills). The Office of Refugee Resettlement and state governments should take steps to ensure that these refugees have adequate access to employment services.

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*With regard to the research studies, methodological problems may have limited their usefulness in examining the relationship between programs and self-sufficiency. The designs of the studies of refugee economic adaptation may be inadequate to measure accurately the impact of service utilization. Generally, questions about services are asked as yes/no questions: Has the refugee received employment services? Has the refugee been enrolled in a language training program? At most, questions are asked about the number of hours a refugee has been enrolled in a particular training program. These questions tell the researcher little about the quality or intensity of the services, and so make it difficult to assess the effects of the service on future outcomes. Moreover, there has been no evaluation, to date, that has made a detailed examination of the efficacy of employment services funded through refugee program funds. More information is thus needed about the effectiveness of various models for stimulating employment for refugees of different background characteristics.

Second, the services may appear to be marginal because they are not effective in accomplishing what is being measured—economic self-sufficiency—although they may be effective in other respects. For example, employment services are not often credited as a source of jobs for refugees, but the primary focus of many employment services is to teach refugees to find their own jobs. Language training is another example. Research has shown training programs to be effective in teaching refugees English, which is, of course, their primary reason for being. Yet, effectively teaching refugees English may not lead to economic self-sufficiency.

Social services may also appear marginal because of the type of services that are provided. Some needed services are not generally offered. For example, the research indicates that most refugee households need more than one employed person to pull themselves out of dependency. This finding would argue for day care facilities to permit more mothers to enter the labor force. In a similar vein, research shows that refugees residing in households with large numbers of dependent children are less likely to be self-sufficient or to find employment that pulls them out of poverty. These findings would indicate that family planning programs could have a beneficial impact on refugee self-sufficiency.

An even more alarming explanation of the lack of relationship between service use and economic adjustment may lie in the quality of services. Service utilization may have a marginal effect on self-sufficiency because the services themselves are poorly designed or poorly implemented. There is impressionistic data questioning the quality of many service programs. A recent study on case management noted that many service plans were standardized and repetitive (Lewin and Associates, et al: 1985). Case managers were often not aware of the broad range of services available within their jurisdictions. A rcent study of Hmong resettlement described language training programs as being so confusing that students got little out of them (NWREL, Hmong Resettlement Study, 1985).

Responsibility for poor quality of some services rests, in part, with federal and state policies. Little training and technical assistance is currently funded in the refugee program; performance standards have not been routinely developed; monitoring has often been *pro forma*, with little examination of quality; and funding has been erratic, causing disruptions in service continuities and difficulty in long-range planning. In addition, salaries are low and staff burn-out is not uncommon. Given the level of funding currently expended on services for refugees, steps should be taken to improve quality of services and to identify areas in which services are likely to make a difference in refugee outcomes.

A third explanation for the relatively poor showing of service interventions in stimulating economic self-sufficiency may be found in the effects of public assistance policy. The capacity of service providers—particularly voluntary resettlement agencies and employment services—to influence the employment patterns of their clients is, to some extent, determined by the availability of welfare. As will be discussed in the next section, the welfare system has been shown to create employment disincentives. It is possible that service utilization is sufficiently offset by the work disincentives of welfare to cancel out the beneficial impacts of the service programs.

Assumption: Public welfare acts as a disincentive to economic self-sufficiency.

No policy issue has been more debated than the impact on refugee adaptation—and, relatedly, U.S. costs—of using public assistance as the major form of transitional income support for refugees. Four major concerns about the welfare system have been raised: 1) the benefit levels; 2) limitations on earned income and work hours; 3) bureaucratic inefficiencies in the work registration program, WIN; and 4) work disincentives in the Medicaid system.

Clearly, welfare serves as a substitute for or addition to employment in states where public assistance benefits provide for a larger income, given household size,

than a minimum wage job does. Every major research report has shown that refugees who live in states with generous welfare benefits are more likely to be receiving public assistance than those that live in states with more restrictive provisions.

These findings must be interpreted with caution, however. Do they mean that welfare serves as a disincentive to self-sufficiency, or do the generous policies of some states serve as a "safety net" for refugees throughout the country? There has been considerable secondary migration from states with restrictive policies into states with generous ones. It may well be that refugees who are able to find jobs stay where they are initially resettled and those who are unable to become self-sufficient relocate, thereby inflating the utilization rates of their new states.

Nevertheless, there are some clear work disincentives in federal and state welfare policies. The work disincentive effects of welfare are generally to be found in provisions pertaining to all AFDC recipients, not just refugees. Changes enacted several years ago have made it more difficult for welfare recipients to use welfare as a supplement to work. In many states, the real frustration is with welfare guidelines, particularly for the unemployed parent program of AFDC, that force refugees to choose between working more than 100 hours and losing their welfare benefits or remaining unemployed and collecting the full assistance grant. Even refugees with transferable skills are unlikely to find employment that pays significantly more than minimum wage. Moreover, low salaries are likely to continue for some time. Research shows that household incomes increase with multiple wage earners, not advances in wages. Therefore, limitations on the number of hours that members of a household can work and still receive supplemental assistance are likely to reduce incentives to take jobs.

Also of concern are referrals of AFDC clients into the WIN program, which has generally been unable to provide appropriate services for refugees. Many WIN clients are placed in an "unassigned pool," where they are required to do little in the way of job search activities. Finally, the links between cash and medical assistance eligibility requirements are believed to serve as a work disincentive.

It is because of these inadequacies in policy and implementation that several states are considering demonstration projects that will transfer refugee welfare caseloads out of AFDC and into Refugee Cash Assistance or create new cash and medical assistance programs. These various initiatives would permit a waiver of the 100 hour limitation on employment, thereby allowing refugees to gain work experience while receiving supplemental benefits if they remain income eligible. Also, refugees will be required to register with employment services that are specially tailored to their needs. The results of these demonstration efforts need to be carefully assessed.

Assumption: Refugee self-help groups play an important role in refugee adaptation.

The informal support systems that have evolved within the refugee community have been very important in the achievement of self-sufficiency. Most refugees find jobs through their relatives and friends. The most effective route to self-sufficiency is living in a household with several employable adults who are able to contribute to household living. The ethnic community also provides intangible support that facilitates the social, cultural and emotional adjustment of refugees.

Whether what informal support systems are doing for refugees can be captured in an organized way in formal institutions is another issue. The future of refugee adjustment is, in large part, dependent on the development of these infrastructures. Refugee communities are now trying to build viable, effective support structures and networks that will assist refugees over the long-term. Of particular concern is the development of service organizations that will be able to assist refugees when special eligibility for refugee programs is no longer available.

Careful attention must be paid to the development of these institutions. In particular, their needs for technical assistance, resource development and connections with mainstream U.S. institutions must be addressed. Also needed are better mechanisms through which refugees can be involved in decision-making processes at both the federal and state level. Policy directions that would impede the building of viable ethnic structures, such as placement policy that emphasizes dispersal at the possible expense of community development (see below), should be carefully assessed, keeping in mind the long-term needs of the refugees.

Assumption: Refugee dispersal aids effective resettlement and avoids undue burdens on states and localities.

The examination of the state-of-information regarding the residency patterns and secondary migration of refugees raises several policy questions and issues. The Indochinese have been more dispersed throughout the country than any other immigrant group about which there is comparable data. Further, efforts to balance the demands of family reunification and the desire to avoid further impacts in areas with high concentrations have been largely successful. Even prior to implementation of current placement policy (in fact, with the start of the Khmer Guided Placement Program and voluntary efforts on the part of the sponsoring agencies), the resettlement of refugees in areas with large concentrations of refugees had been reduced.

Interestingly, the greater concentration of other refugee populations has led to far less concern about placement policy than has the relatively more dispersed distribution of the Indochinese. Several reasons for this come to mind. First, refugees from most other nations have arrived in far fewer numbers. Large percentages of these groups have not necessarily translated into large refugee communities. For example, the 35 to 40 percent of the Indochinese population living in California equal about 250,000 people at this point. On the other hand, 100 percent of the Ethiopian refugees in the United States equals only about 10,000 persons. Even if all of them settle in one state, they will account for a fraction of the number of Indochinese. That overall numbers play a part is evident in the fact that the other refugee group that has evoked considerable concern with regard to placements are the Cuban refugees and more recently Cuban-Haitian entrants. Some 800,000 Cubans have entered the United States since 1960, and their concentrations in Miami and a few other areas has provoked criticism about placement policy.

Overall numbers, however, are not the sole explanation. There are several other immigrant groups that have settled in particular places in roughly the same numbers over the same period of time as have the Indochinese and Cubans. For example, over 300,000 Filipinos are estimated to have entered the United States between 1975 and 1982; 46.4 percent, or close to 150,000 indicated that they intended to reside in

California—a number that is identical to the number of Indochinese placed in California during the same period. (Neither figure includes secondary migration into or out of the state, and therefore, neither indicates numbers actually resident in California.)

The explanation for the particular interest in the placement patterns of the Indochinese may rest in the circumstances of their resettlement and adjustment to U.S. life. The Indochinese, unlike several of the other refugee groups, had no existing ethnic community in the United States upon their arrival in 1975. Therefore, their arrival was not cushioned by the activities of persons who had already established themselves in their U.S. communities. The Indochinese were truly newcomers and, thus, stood out all the more.

Further, the utilization of cash assistance and other service programs by the Indochinese, in combination with their absolute numbers, has made their presence in U.S. communities very apparent. The circumstances under which they fled Southeast Asia caused considerable attention to be paid to them as well, and not all of this attention was positively disposed towards the refugees. And, finally, the often traumatic circumstances under which they arrived in specific locations (particularly when proper notice had not been given of their arrival) led to community tensions and resentment that the refugees had been placed there.

If this analysis is true, it may be that the process used in arriving at placement decisions, including the consultation that takes place between sponsoring agencies and state and local officials, may be more important than the actual outcomes of placement in terms of the dispersal or concentration of refugees. This point is important because efforts to disperse refugees, though they have been successful in some cases, may be at odds with the preferences of the refugees themselves and may even undermine the efforts of refugees to become self-sufficient.

The relationship between refugee concentrations and self-sufficiency is an elusive factor in resettlement and one that is hard to prove. Whether adjustment is more rapidly attained within or outside of large ethnic communities is a question open to debate. It remains, however, that many immigrant groups have been highly concentrated in a few locations and have also rapidly attained economic success. More research is needed to determine if there is a cause and effect relationship at work.

The relationship between initial placement decisions and secondary migration is much easier to explain and document. Refugees generally prefer to be placed with other members of their nationality or ethnic group. Dispersal often means that this cannot happen, and some number of refugees are settled where they do not wish to be. If this happens, significant levels of secondary migration are likely to occur. As we have seen, 45 percent of the 1975 Indochinese arrivals moved to another state, and living in other-than-the-state-of-choice was the best predictor of the propensity to move. Since secondary migration occurs outside of official channels, and therefore little advance notice or preparations can be made, the arrival of refugees through this route is likely to cause greater dislocations than is true of initial placements. Secondary migration is therefore more likely to lead to the type of community tensions and resentments described above, thereby aggravating feelings that adverse impacts accompany refugee resettlement.

But even here the examination of the pattern of secondary migration indicates that both the phenomenon itself and its result are likely to be short-lived. If previous experience is a guide, we can expect, in the years to come, growing geographic stability among recent refugees to the United States. With increased employment

and the establishment of social and other ties to their new communities, the degree of secondary migration exhibited by today's refugees is likely to draw closer to those of other U.S. residents. Certainly the pattern of movement—that is, towards the South and West—they have exhibited already puts them into the American mainstream.

Assumption: Refugees represent a net negative impact on states and localities that should be offset by dollar-for-dollar reimbursement of costs.

The impacts of refugee resettlement, as we have seen, are complex and difficult to calculate. A typical approach has been to define impact in a static, negative manner. Attention is paid to job displacement without equivalent analysis of job creation effects of resettlement. State and local costs are seen as any expenditure on behalf of refugees that is not reimbursed by the federal government, on a dollar-for-dollar basis, in the year in which the expense is incurred. Refugee tax payments are ignored altogether.

This approach masks the complexity of the situation. First, impacts may be positive or negative. Refugees cause state and local expenditures but they also bring federal funds into the area. Moreover, refugees themselves become employed, contributing members of society who benefit others through their tax payments and income-generating activities.

Second, federal funding for resettlement means more than reimbursement of incurred expenses. As has been shown here, the federal funds are used to purchase goods, employ staff and, ultimately, enter the state and local coffers through real estate taxes, sales taxes and the income taxes paid by both refugees and the service providers who assist them.

Third, the net gain or loss from the presence of refugees must take into account a variety of factors. At a minimum, the equation for assessing costs of refugee resettlement should reflect the net difference between federal funds and taxes generated by the presence of refugees, on the one hand, and state and local costs on the other.

Fourth, concerns about negative financial impacts may be masking concerns about social, cultural or labor market impacts. Reimbursement will not, in and of itself, offset these other concerns. On the other hand, the federal funds may make the presence of refugees more palatable.

Fifth, the financial impact of resettlement varies from year to year and from location to location. In part, the impacts will depend on the availability within state or localities of programs which can be accessed by refugees who are no longer eligible for federally-funded programs. Most states and localities will experience short-term positive impacts because federal funds and tax revenues generated by refugees and the refugee program during the first few years exceed the costs incurred by the state. Some of these states may, in the middle-term, experience negative impacts, because large numbers of refugees, after federal reimbursement is no longer available, continue to utilize services. At this stage, federal funds may not offset costs. But, if the pattern that has already been seen in the Southeast Asian population continues, most areas should see long-term benefits deriving from the presence of refugees, as the tax payments of refugees exceed the costs associated with providing services to them.

CONCLUSION

The research examined in this report has addressed basic issues regarding refugee resettlement: To what extent have refugees become economically self-sufficient? Have programs that serve refugees been effective in assisting them to become self-sufficient? What are the positive and negative impacts of refugee resettlement? What is the role of the refugee community in assisting its own members?

For the most part, the research provides good news for those concerned with the future of this country's long-standing tradition—providing refuge to the world's persecuted. Refugees in this country are moving inexorably towards economic self-sufficiency; refugees' English language proficiency increases with time in the country; and the development of refugee organizations bodes well for the future of these newcomers.

There are, nevertheless, challenges ahead. It is well to remember that refugee adaptation is a process and, at times, can be a lengthy and difficult one for both the refugees and the communities in which they live. While the research shows there is much to celebrate in the achievements of the refugees, there is still much to accomplish in the refugee program. The research indicates that refugee adaptation, to some extent, occurs despite—not because of—programmatic and policy interventions on their behalf. The refugee service delivery system needs improvement and the employment disincentives of the public welfare system must be addressed.

To conclude, refugee resettlement is a constantly changing process, one which requires substantial flexibility to address new issues. During the past five years, the United States has made substantial progress in identifying problems related to refugee resettlement, exploring alternatives and implementing new programs. As noted above, the years ahead will present their own challenges. The research conducted during the past few years should help policymakers and program implementors find new solutions.

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